

trained in carrying out the work involved.

The company that owned the warehouse was found guilty of corporate manslaughter and an offence under Section 3 of the Health and Safety at Work Act (1974).

- Health and safety- A Managing Director and several technical managers faced criminal prosecutions for alleged breaches of health and safety legislation, which resulted in the accidental deaths of two employees.
- Carriage of goods- As a result of his company allowing dangerous goods to be carried by air, the Civil Aviation Authority interviewed a Director under caution.



### LIBERTY'S STRENGTH:

**Liberty General Insurance Limited** is a joint venture between Liberty Citystate holdings PTE Ltd, a group company of US Headquartered Liberty Mutual Insurance Group, a leading multinational property and casualty group, Enam Securities, a privately owned and managed firm that makes long-term investments in listed companies, as well as backs entrepreneurs building valuable private companies and DP Jindal Group, an industrial conglomerate. Liberty India General Insurance commenced operations in 2013 with the aim of providing comprehensive retail, commercial and industrial insurance solutions. The company has an employee strength of 1100+ over a network of 60 offices in 58 cities across 23 states. Its partner network consists of about 4000 hospitals and more than 3100 auto service centres. The company offers health and personal accident insurance, car and two-wheeler insurance, employee compensation insurance, commercial insurance, fire and engineering insurance, marine insurance and other miscellaneous insurance products in India.

### CLAIM SETTLEMENT:

The Company will settle the Claim under this Policy within 30 days from the date of receipt of necessary documents required for assessing the Claim. In the event that the Company decides to reject a Claim made under this Policy, the Company shall do so within a period of thirty days of the survey report or the additional survey report, as the case may be, in accordance with the provisions of Protection of Policyholders' Interest Regulations 2016

### NOTE:

The policy is on "Right to Defend" basis. We may appoint lawyers, wherever deemed appropriate.

Any dispute between Insured and Insurer shall be referred to arbitration as detailed in the "Arbitration Clause" of the policy.

### NOTE:

Please write to us at- [liabilityUW@libertyinsurance.in](mailto:liabilityUW@libertyinsurance.in) for more details

**Toll Free No: 1800 266 5844**

**Email: [care@libertyinsurance.in](mailto:care@libertyinsurance.in) | [www.libertyinsurance.in](http://www.libertyinsurance.in)**

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For details on risk factors, terms and conditions please read the sales brochure carefully before concluding a sale.

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IRDA Registration No.150

CIN: U66000MH2010PLC209656

UIN: IRDAN150P0003V01201718

ARN: ADVT/2019/March/34

Prohibition of Rebates as per Section 41 of the Insurance Act 1938 (4 of 1938) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer'. Violations of Section 41 of the Insurance Act 1938, as amended, shall be - Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to Ten Lakhs. "

## DIRECTORS & OFFICERS LIABILITY INSURANCE POLICY



### WHAT IS D&O

#### (DIRECTORS & OFFICERS LIABILITY INSURANCE)?

Directors and Officers have to take some of the most important and complex decisions for their company which have huge impacts. Any allegation of wrong doing need to be investigated and defended, and this can cost a significant amount even if the case does not reach the court. The risk here lies at both sides, the manager's personal finances and insured company who may have paid the third-party claim on behalf of the managers in order to protect them.

Directors and Officers (D&O) insurance policies offer liability cover for company managers to protect them from claims which may arise from the decisions and actions taken within the scope of their regular duties.

## WHO IS COVERED ?

- All Directors (past , present and future)
- All officers (employed in executive capacity)
- Company secretaries
- Spouse, Estates, Legal Heirs

## POTENTIAL CLAIMANT:

The Director or Officer is open to actions from any other party. The following is a list of potential claimants, with instances of likely grievances.



**Shareholders-** Alleging financial loss attributable to failure by Directors or Officers responsible.



**Employees-** Alleging unfair dismissal, discrimination, sexual harassment.



**Customers-** Alleging that they have suffered financial loss following wrongful advice on the application or suitability of products.



**Competitors-** Alleging that their businesses have been adversely affected by a restrictive trade- practice e.g. price fix



**Members of the Public Services-** Failure to effect and maintain adequate control



**Regulatory bodies-** For offences under the Companies Act or breaches in similar legislation.

## PRODUCT HIGHLIGHTS :

- Broad Policy Form
- Covers the company's employees as well as its directors and officers for personal liability and defense costs
- Defense costs are paid on an "as incurred" basis
- Cross Liability Coverage
- Right to Defend condition
- Special Excess protection for Non-Executive Directors
- Company Employment Practice Liability Extension
- Outside directorship
- Company security Liability for Listed companies
- Assets & Liberty Costs: Discharge or revocation of judicial order, Deportation of Insured Person, Extradition, Bail Bond
- Kidnap Response Cost
- Pre- Investigation Costs
- Tax Liability extension
- Automatic inclusion of subsidiaries

## MAIN EXCLUSIONS:

- Pending or prior litigation demands or judgments
- Claims against the fiduciaries or administrators of any retirement or employee benefit plan
- Absolute Professional Indemnity claims
- Deliberate criminal or fraudulent act or omission , dishonesty
- Fines, penalties or multiple damages
- Investment performance
- Pollution, war, radiation , nuclear events

## DIRECTORS AND OFFICERS FEE CLAIMS EXAMPLES:

- Defamation - A company's Managing Director was quoted in two newspaper articles as having concerns regarding the propriety of the owner of one of the company's supplier. The owner claimed for defamation. The claim was eventually dropped, but only after insurers had funded the Managing Director's defense costs.
- Diverting Business- A Marketing Consultancy successfully made a claim against its former Managing Director for diverting parts of the business and its opportunities to his new company. The court held that the Managing Director misused the property of the agency, breaching his fiduciary duty they also ruled that he was accountable to the company and should personally pay compensation.
- Insufficient controls as a Director- Directors of a privately owned delivery business were banned after the company went into insolvency and was the subject of a subsequent DTI investigation. Only two Directors ran the business on a day to day basis, but all Directors were found to be responsible for the books and records not being up to the correct standards. Defense costs were incurred to defend the legal actions against the Directors.
- Cheque Mistakes- A Director signed a cheque but did not include the word 'Limited'. The cheque was not honored and by the time the corrected cheque was re-presented, the company had gone into liquidation. Due to this, the Managing Director was held personally responsible for the value of the cheque.
- Corporate Manslaughter- A company owned the warehouse and was aware that the roof needed repairs. Despite warnings issued by the Health and Safety Executive and District Council about the hazards involved in the repair work and the requirement for adequate safety measures, the directors engaged their friend, and his company, to carry out the work without the required safety measures put in place. It transpired that the company which took the repair job did not have any experience of roofing work and its workers were not